



NEWS RELEASE

CALIFORNIA STATE TREASURER PHILIP ANGELIDES

FOR IMMEDIATE RELEASE

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TREASURER PHILIP ANGELIDES SELLS \$967 MILLION IN BONDS FOR SCHOOL AND INFRASTRUCTURE IMPROVEMENTS *Refunding portion will save taxpayers \$4.4 million*

SACRAMENTO, CA – California State Treasurer Philip Angelides sold \$967 million in general obligation bonds Tuesday. The sale included \$850 million in general obligation bonds to support school construction, clean air and water programs, and earthquake safety. Another \$117 million was issued to refund higher interest rate bonds at today's lower interest rates, saving taxpayers \$4.4 million in lower debt service payments.

"One of my primary goals as the State's Chief Financial Officer is to save taxpayer dollars. I am pleased that we were able to seize the opportunity of the current market to refund bonds at lower interest rates, which will save California taxpayers millions of dollars," said Angelides.

Treasurer Angelides sold the bonds in a competitive sale with the syndicate led by Merrill Lynch & Co. winning the bid with the lowest true interest cost of 5.1719 percent. Other bidders included syndicates led by J.P. Morgan Securities, Inc. and Morgan Stanley, Dean Witter.

The three major rating agencies, Fitch, Moody's Investors Service, and Standard & Poor's, rated the bonds AA, Aa2, and AA respectively. Financial Security Assurance insured maturities 2006 through 2008. Those maturities carry triple-A ratings from the three rating agencies.

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